Minutes

Santee City Council Community Development Commission Santee Public Financing Authority

Council Chambers 10601 Magnolia Avenue Santee, California

July 23, 2008

This Regular Meeting of the Santee City Council, Community Development Commission and the Santee Public Financing Authority was called to order by Mayor/Chairperson/Chair Randy Voepel at 7:03 p.m.

Council Members present were: Mayor/Chairperson/Chair Randy Voepel and Council/Commission/Authority Members Jack E. Dale, Brian Jones and John W. Minto. Vice Mayor/Vice Chairperson/Vice Chair Hal Ryan was absent.

City Manager/Executive Director/Secretary Keith Till, City/Commission/Authority Attorney Shawn Hagerty, Deputy City Manager/Director of Development Services Gary Halbert, Finance Director/Treasurer Tim McDermott, Director of Fire and Life Safety Mike Rottenberg, Director of Human Resources Jodene Dunphy, Assistant to the City Manager Kathy Valverde, Assistant to the Executive Director Pamela White, Santee Sheriff's Captain Patricia Duke, Director of Community Services John Coates, City Clerk/Commission Secretary Linda Troyan, and Deputy City Clerk/Deputy Commission Secretary Patsy Bell.

(Note: Hereinafter the titles Mayor, Vice Mayor, Council Member, City Manager, City Attorney, City Clerk and Deputy City Clerk shall be used to indicate Mayor/Chairperson/Chair, Vice Mayor/Vice Chairperson/Vice Chair, Council/Commission/Authority Member, City Manager/Executive Director/Secretary, City/ Commission/Authority Attorney, City Clerk/Commission Secretary, Deputy City Clerk/ Deputy Commission Secretary.)

INVOCATION: Pastor Paul Garrison, Sonrise Community Church

PLEDGE OF ALLEGIANCE: Jim Montague

ITEMS TO BE ADDED, DELETED OR RE-ORDERED ON AGENDA:

Mayor Voepel requested Item 1(F) be pulled for discussion and Item 6(A) be reordered to follow Closed Session. He further congratulated staff on securing an 80% grant, up to \$532,000, for traffic light upgrades on Item 1(L).

(A) Approval of Reading by Title Only and Waiver of Reading in Full of Ordinances on Agenda.

- (B) Approval of Meeting Minutes:
 - Santee City Council 7-9-08 Regular Meeting
 - Community Development Commission 7-9-08 Regular Meeting
 - Santee Public Financing Authority 7-9-08 Regular Meeting
- (C) Approval of Payment of Demands as Presented.
- (D) Approval of the Expenditure of \$81,751.69 to Pay for the June 2008 Legal Services and Related Costs, and the Appropriation of Funds.
- (E) Approval of Regional Communications System Expenditures for Fiscal Year 2008-09 Totaling \$81,846.00.
- (F) Item removed for discussion.
- (G) Adoption of a Resolution Updating the Unit Price List for Bonding of Subdivision and Right of Way Improvements. (Reso 63-2008)
- (H) Adoption of a Resolution Denying the Application of Javier Correa Sr. for Conditional Use Permit P07-09 for a 1,286 Sq. Ft. Sombrero Drive-Through Fast Food Restaurant at 8980 Carlton Hills Blvd. in the GC-General Commercial Zone (APN: 383-152-04-00). (Reso 64-2008)
- (I) Authorization to Purchase and Install Three Fabric Shade Structures at Shadow Hill Park from USA Shade & Fabric Structures Inc. in an Amount Not to Exceed \$88,780.
- (J) Adoption of a Resolution Awarding the Construction Contract for Citywide Pavement Repair and Rehabilitation, CIP2008-05, to ABC Construction Co. for a Total Amount of \$2,038,567.02; and Authorization to Expend Funds for Construction Activities. (Reso 64-2008)
- (K) Authorization of San Diego River Watershed Storm Water Copermittees Memorandum of Understanding.
- (L) Authorization for the Director of Development Services to Execute Agreements with the State of California for Proposition 1B Funded Traffic Signal Upgrade Projects on Mission Gorge Rd. and Magnolia Avenue, and the Appropriation of Funds.

ACTION: On motion of Council Member Minto, seconded by Council Member Jones, the Agenda and Consent Calendar were approved as amended with all voting aye, except Vice Mayor Ryan who was absent.

Item Removed from Consent Calendar:

(F) Authorization for the City Manager to Execute a Professional Services Agreement with KTU&A for Updating the City's Bicycle Master Plan and Advancement of Funds in an Amount Not to Exceed \$50,000 from the Traffic Mitigation Fund, Subject to 100% Reimbursement from TDA Grant Funds.

Mayor Voepel asked for more detail regarding \$50,000 expenditure. Deputy City Manager/Director of Development Services Halbert explained that the portion of the City's Circulation Element dealing with bicycle paths and bicycle routes is being updated and funded with Transportation Development Act (TDA) funds. A portion of this update will also be utilized in creating the GIS layers as a part of the City's General Plan and the Community Trails Plan.

ACTION: On motion of Mayor Voepel, seconded by Council Member Jones, the City Manager was authorized to execute a professional services agreement with KTU&A for updating the City's Bicycle Master Plan and the advancement and appropriation of funds in an amount not to exceed \$50,000 from the Traffic Mitigation Fund, subject to 100% reimbursement from TDA grant funds, was approved with all voting aye, except Vice Mayor Ryan who was absent.

- 2. PUBLIC HEARINGS: None
- 3. ORDINANCES (First Reading): None
- 4. CITY COUNCIL REPORTS:
 - (A) Selection of Voting Representative and Alternate for League of California Cities Annual Conference.

ACTION: On motion of Council Member Dale, seconded by Council Member Jones, Mayor Voepel was selected to be the voting representative and Council Member Dale the alternate with all voting aye, except Vice Mayor Ryan who was absent.

Additional Council Report:

Council Member Dale reported that there is extra money available in the Highway 52 project and SANDAG is now studying the possibility of expanding Highway 52 to 3 lanes in the area of Highway 125 to Mast Boulevard.

5. **CONTINUED BUSINESS**: None

6. NEW BUSINESS:

- (A) Item Reordered to be heard after Closed Session.
- 7. **COMMUNICATION FROM THE PUBLIC:** None
- 8. **CITY MANAGER REPORTS**: None
- 9. COMMUNITY DEVELOPMENT COMMISSION:

(Note: Minutes appear as Item 1B)

10. SANTEE PUBLIC FINANCING AUTHORITY:

(Note: Minutes appear as Item 1B)

11. CITY ATTORNEY REPORTS: None

Reordered to be heard be after Closed Session but during introduction of the Closed Session item, which relates to this item, it was determined by Council to have the Developer give a brief report and allow Council to ask questions regarding the project in Open Session before adjourning into Closed Session for deliberations. Following Closed Session, further discussion could take place if Council has additional comments or questions of the developer.

6. NEW BUSINESS:

(A) Discussion of a Proposed Mixed-Use Project Within the Town Center Specific Plan Area.

Public Speakers:

1. Matthew Reid, Vice President of Development for Ryan Companies, discussed changing the Cooperative Agreement between the City, the County of San Diego and Ryan Companies to separate the residential housing portion of the project from the theater portion. It has been difficult to simultaneously bring forward the two separate projects. Ryan Companies feels that by allowing the uncoupling of the two projects which allows them to come before Council separately, they can bring both projects to Santee. Mr. Reid stated that there is both a residential developer and theater developer interested in developing in RiverView. Further, the theater developer is willing to put up a personal guaranty (security) payable to the City that would assure the building of the theater. An additional proposed change would be to have the condominium element changed to luxury apartments.

Council Member Minto stated his support for the project and would like it to move forward. During discussion, Mayor Voepel stated that he would support the split of the project providing there was a guaranty as noted in the letter Mr. Reid submitted to Council on July 17, 2008. Council Member Jones clarified that the General Plan would allow for the proposed apartment project to be converted into condos in the future and also expressed support for the proposals providing the guaranty was in place and the apartment project is a very high quality project. Council Member Dale discussed his concerns with housing development happening in Town Center while Highway 52 expansion work is going on.

Mr. Reid addressed Council on three subject matters. First, that the quality of the housing project would be superior just like the RiverView Office Park and Hartford facilities. Second, the investment Santee is making is into its own community and into the technology park. Third, the majority of the sales tax revenue will come from the new residents who move in and shop locally as opposed to coming from concessions from the theater. And lastly, Mr. Reid thanked Council for their consideration in this matter.

Mayor Voepel asked Director of Finance McDermott to make projections for Council to use regarding projected sales tax and property tax generated from this project.

2. Rob McNelis spoke in support.

Members convened in Closed Session at 7:54 p.m. with all Members present, except Vice Mayor Ryan who was absent.

12. CLOSED SESSION:

(A) CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code Section 54956.8)

Property: Property bounded by Cuyamaca Street, Street A, Civic Center

Drive and the San Diego River

Agency Negotiators: City Manager

Negotiating Parties: City of Santee, County of San Diego & Ryan

Companies

Under negotiation: Price and terms of payment

Council Members reconvened in Open Session at 9:24 p.m. with all Members present, except Vice Mayor Ryan who was absent. Mayor Voepel discussed the item as listed on the agenda.

MOTION: It was moved by Mayor Voepel, and seconded by Council Member Jones, to direct staff to make the following changes in the current agreement and bring it back to Council at the next meeting (August 27th) for review and approval:

- 1) Separate the apartment project and the movie theater project with Ryan Companies and staff coordinating the two as closely as possible as to timing; and
- 2) Participate with \$4,000,000 of infrastructure based on verification of financial information as to need; and

- 3) The \$1,000,000 guaranty by the theater operator be in acceptable instruments and terms; and
- 4) If there is no movie theater, the City has possession of the land and no commitment for \$4,000,000 of infrastructure cost and that takes into account the County part of the agreement. This constitutes a new staff direction and they would be working with the developers and applicants under these guidelines and working in close cooperation.

ACTION: After further discussion, the motion carried with all voting aye except Vice Mayor Ryan who was absent.

There being no further business, the meeting was adjourned at 9:49 p.m.

Date Approved: August 27, 2008

/s/Linda A. Troyan

Linda Troyan, City Clerk/Commission Secretary and for Authority Secretary Keith Till